



TOM TINDALL
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

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"To enrich lives through effective and caring service"

April 17, 2013

To: Each Supervisor

From: Tom Tindall
Director

A handwritten signature in black ink that reads "Tom Tindall". The signature is written in a cursive, flowing style.

Subject: **TERMINATION OF MASTER AGREEMENT WITH KEY DISPOSAL, INC.**

This is to advise your Board of recent actions to maintain contracted services due to a current contractor's inability to provide waste hauling services at various County facilities located in the City of Los Angeles.

Background

On March 3, 2009, your Board approved ISD's Facility Ancillary Services Master Agreement (FASMA) with Key Disposal, Inc. ("Key") as one of the recommended vendors. On February 21, 2012, ISD awarded a purchase order agreement to Key under the Master Agreement for waste hauling services. Twenty-five (25) of the waste hauling locations are located within the City of Los Angeles ("City"). On April 4, 2013, the City notified ISD that Key's waste hauling services permit with the City was being revoked effective April 13, 2013, and that Key would no longer be allowed to conduct services within the City limits.

Actions Taken

On March 13, 2013, the City of Los Angeles' Public Works Board approved the revocation of Key's waste hauling services permit effective April 13, 2013 due to Key's failure to comply with their contractual requirements, which includes outstanding fees owed to the City in the amount of \$668,597. ISD attempted to contact Key via telephone prior to sending a written notification to no avail. On April 9 2013, ISD notified Key in writing that the County intended to terminate Key's Master Agreement for default unless Key resolved the issue with the City within a five day period. Key responded to the letter the same day confirming that they would not be able to resolve the matter with the City by April 13, 2013.

Given Key's inability to provide the entirety of the contracted services, ISD proceeded with actions to minimize interruptions or gaps in the critical services. ISD reviewed the most recent bid for these services and immediately awarded waste hauling services to the second lowest bidder for each of the locations under contract with Key.

ISD plans to proceed with formal Board action to formally terminate Key's Master Agreement, and then pursue a debarment action against Key for its material breach of the contract.

Conclusion

ISD will be filing a Board letter for the necessary actions within the next 90 days. Should you have any questions regarding this matter, please contact me at 323-267-2101, or your staff may contact Joe Sandoval at 323-267-2109.

TT:JJ:YY

c: ISD Board Deputies
Chief Executive Officer
Chief Executive Office (Simdjian)
County Counsel